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# Washington Watch

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## Foreign Ties Of Companies

**W**ASHINGTON OFFICIAL Government policy is still to encourage foreign investment, but Congress and some departments, especially the Defense Department, are starting to worry about the implications of the ownership of some high-technology American enterprises by foreign government-controlled companies.

French nationalization is one of the concerns, and has already led to an impact study by an interagency group known as the Committee on Foreign Investment in the United States.

One of the nationalization targets is Pechiney Aligne Kuhlmann, a big French metals and mining company that owns the Howmet Aluminum Corporation of Greenwich, Conn., and the Howmet Turbine Components Corporation of Muskegon, Mich. The turbine company is the leading American supplier of turbine blades for jet engines.

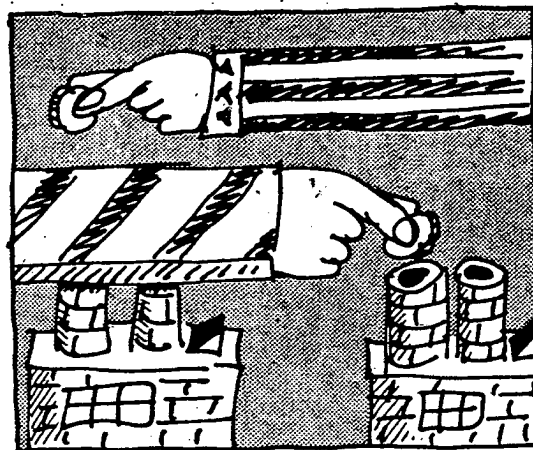
The Committee on Foreign Investment, made up of representatives of the Treasury, Commerce, State, Defense and Labor departments and the Office of the United States Trade Representative, is analyzing, among other things, the possibility of the transfer of sensitive data.

Another issue is the possible conflict between business as usual for the American company and broader French Government policies of spurring the French aircraft industry. Under one hypothesis, the French Government could squeeze the American company dry of secrets and capital in hopes of giving an edge to French competitors.

The House Commerce, Consumer and Monetary Affairs Subcommittee, under its chairman, Benjamin S. Rosenthal, Democrat of Queens, is examining the whole question of sensitive data transfers in connection with the Kuwait Petroleum Corporation's bid for the Santa Fe International Corporation. The Kuwait company has a single stockholder, the Kuwaiti Government. Santa Fe, among other things, builds oil drilling rigs and nuclear power stations.

Other issues are raised by investments from South Africa and Canada. The politics of apartheid come up in the acquisition by Consolidated Gold Fields Ltd. of 25 percent of the Newmont Mining Corporation, which in turn is one of the leading holders of shares in the Peabody Coal Company.

Ottawa's policies of freezing American companies out of Canadian energy development are provoking thoughts of retaliation in this capital,



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perhaps even by completely halting the flow of investments from the north. The State Department is the loudest of the voices on the interagency committee arguing that this would serve little purpose. "They're helping us find oil," said one State Department official. "Why drive their rigs back north?"

The United States has three times the investment abroad of foreign companies in this country. Another issue raised by those opposed to barriers is the fate of those foreign holdings if the United States suddenly turned protectionist.